

City of Rockford
Community Development Department

PUBLIC HEARING
CONCERNING

Fourth Year of
Five Year Consolidated Plan

Wednesday, August 22, 2007 – 1:00 PM
Rockford Housing Authority
223 S. Winnebago Street

MINUTES

I. Welcome

Dwayne Collins introduced himself and welcomed everyone. He explained that this public hearing is regarding the 2008 Community Development Formula Programs that are Federally funded through the Department of Housing and Urban Development (HUD). The programs include the Community Development Block Grant, HOME Investment Partnership Program and the Emergency Shelter Grant. He thanked the Rockford Housing Authority for hosting the meeting.

II. Self-Introductions

Dwayne Collins introduced other staff members including Vicki Manson, Rob Lamb, Lucia Rinedollar and Ron Moore.

III. Neighborhood Development

- Dwayne Collins explained the CDBG slide including:
 - ⇒ Primary objective is to provide decent housing and a suitable living environment for persons with low to moderate income.
 - ⇒ The proposed New 2008 Funding amount is \$2,172,896 assuming the same level of funding as received for 2007.
 - ⇒ Eligible uses as listed on the hand-out.
- Dwayne Collins explained the HOME slide including:
 - ⇒ Proposed New 2008 Funding amount is \$941,080 plus \$18,017 for ADDI assuming the same level of funding as received for 2007.
 - ⇒ Grants are to implement local housing strategies designed to increase home ownership for persons with low to moderate incomes.
- Vicki Manson explained that CDBG and HOME are two separate programs, each with its own set of requirements. HOME is specifically for housing while Block Grant can be more flexible and may be used for public service, acquisition, demolition and other uses.

- Dwayne Collins explained the ESG slide including:
 - ⇒ Proposed New 2008 Funding amount is \$93,652 assuming the same level of funding as received for 2007.
 - ⇒ The purpose of the ESG Grant is to improve or add emergency shelters for the homeless.
 - ⇒ Funds also can be used to assist with the operating costs of the shelters.
 - ⇒ The program is also intended to restrict the increase of homelessness.
 - ⇒ Eligible uses as indicated on the hand-out.
- Vicki Manson explained that the purpose of this public hearing is to report what has been done so far this year and then get public input on what is needed for next year with the understanding that there may not be additional funding available for new activities.
- Vicki Manson explained the Rehabilitation Programs slide including:
 - ⇒ 18 units were projected to be completed and as of 8/17/07, 9 have been completed, 6 are under construction and bids are being finalized for 7 projects.
 - ⇒ The investor/owner program was discontinued for 2007. There were 7 activities funded in 2006 that are being completed in 2007 providing 12 units, at least 51% of these must be rented to persons with low to moderate incomes. The rehabilitation of 2 of those units is complete. The other 10 are under construction.

Question (Reggie Taylor): Will you be bringing that program back at a later date? There is going to be a greater demand for rentals due to the high volume of foreclosures that are taking place. Investor owners would like assistance from the City in order to provide decent and affordable housing.

Answer (Vicki Manson): We would like to but the funding is limited.

- ⇒ An application was submitted for an \$80,000 grant from IHDA to assist homeowners in the Gilbert Avenue area.

Question (John Weaver): Where is Gilbert Avenue?

Answer (Vicki Manson): It is in far northwest Rockford.

- ⇒ Originally budgeted an artist district program targeted to the Jackson Oaks TIF. Funds would leverage other funds to develop a loan pool to assist with redevelopment of housing in the area. Other partners would include local lenders, the Swedish American Foundation, and Riverfront Development Group. This program may be adjusted due to the recent flood.
- ⇒ Due to the recent flood a Substantial Change will need to be processed and will be a part of a future public hearing.
- ⇒ A portion of the Weed and Seed budget has been used for rehabilitation of 1810 W. State Street to be used for Weed and Seed administration and as a Neighborhood Resource Center. The balance of the budgeted money may be rolled into a new program called the Healthy Neighborhoods Program which has been presented to City Council but has not received final approval yet. The recent flood may also impact this program.
- ⇒ Other (non CDBG) programs administered through Community Development include the Water Hook-Up program and assistance provided to Winnebago County for their Rehabilitation Program.
- Vicki Manson explained the 2006 Labor Day Flood Program slide including:
 - ⇒ The CDBG budget was amended to provide \$250,000 for the 2006 Labor Day Flood Program being administered by the Human Services Department.
- Vicki Manson explained the Code Enforcement slide including:

- ⇒ CDBG funds 2.5 Code Enforcement persons. To date approximately 2500 issues have been addressed as a result of this funding.
- Vicki Manson explained the Homebuyer Assistance slides including:
 - ⇒ ADDI Program – 8 households have been assisted, 10 additional households have been approved and 15 others are being interviewed.
 - ⇒ Emerson Subdivision – construction of 6 homes are in process, 4 home-buyers have been approved.
 - ⇒ Hope 6 – 90 homes have been constructed, 27 have been sold, 11 recently completed homes will be sold, and 52 have been leased. An additional 14 homes are under construction bringing the total to 104 homes. Demolition of Champion Park is underway.
 - ⇒ HOME funds are being used for downpayment assistance for the Hope 6 homes.
 - ⇒ REACH Illinois Employee Assistance Program provides assistance to City and County employees purchasing homes within 1 mile of downtown or in TIF districts. Two County employees have been approved and 5 City employees have applied.
- Vicki Manson explained the Assistance to CHDO's slide including:
 - ⇒ Received 5 proposals for the budgeted amount of \$37,554. Agreements will be executed within 30 days.
 - ⇒ No new Homebuyer and Rental Projects but several projects are anticipated.
 - ⇒ Downpayment assistance will be provided for 4 homes constructed by CCS/Youthbuild Rockford (prior year funding).
 - ⇒ Development agreements have been executed for the construction of 2 new homes.
 - ⇒ Development agreements are anticipated by year's end for 4 additional homes.
 - ⇒ CCS/Lincolnwood Estates assisted using HOME and TIF funds. 10 of 18 homes were assisted with HOME funds.
- Vicki Manson explained the Get The Lead Out Match and Service Related Programs slide including:
 - ⇒ Get The Lead Out Match Program provides a 10% match to the Human Services Department for lead removal projects.
 - ⇒ Service Related Programs:
 - Healthy Neighborhoods Program
 - RAMP has provided 3 of the 12 ramps anticipated in 2007.
 - RAAHC has provided counseling services to 121 persons.

Vicki Manson explained the Acquisition, Relocation and Disposition slide including:

- ⇒ Acquisition, Relocation and Disposition – 2 properties have been acquired and 14 are in process.
- ⇒ Demolition and Site Improvements – to date, 16 properties have been demolished. This activity has been limited due to the HUD restriction of 70% of funding must be directed to low/moderate income activities.

Question (Pastor Dismuke) – Is there an application deadline for new CHDO's?

Answer (Vicki Manson) – Notices were sent to current eligible CHDO's and funds will be distributed accordingly. There is an open process for organizations that want to become CHDO's.

Question (male citizen) – Where were the 16 demolitions?

Answer (Vicki Manson) – There is a list that can be viewed after the meeting.

Question (E. J. Parham) – How soon will we be able to do more demolitions?

Answer (Vicki Manson) – Probably not until 2008. The first step is to get on the list of potential demolitions. Currently there is already a long list of homes that have been identified. Additional properties may be referred to the Building Department and added to the list.

Question (Lori Gustafson) – Is the Healthy Neighborhoods Program for designated areas only and how does someone find out more about it?

Answer (Vicki Manson) – The program has not been approved by City Council yet. It has been designed to give priority to projects in a focus area or TIF district.

Question (Beverly Parker) – What exactly would be done through the Healthy Neighborhoods Program?

Answer (Vicki Manson) – It would serve an identifiable need in the neighborhood such as a program to keep teens off the street. Dwayne Collins explained that the program has not identified specific programs but will be responding to the funding needs of the neighborhoods.

ECONOMIC DEVELOPMENT

- Rob Lamb explained the Financial Assistance to For-Profit Businesses slide including:
 - ⇒ The funds budgeted for the Small Business Loan Program were transferred to assist the 2006 Labor Day Flood victims.
 - ⇒ The City's non-CDBG Small Business Revolving Loan Program was transferred to Rockford Local Development Corporation to administer.
 - ⇒ West State Street Commercial Node – to provide commercially zoned land to new and relocated businesses in the West State Street Corridor.
 - ⇒ Commercial Shopstead – provides commercial rental space for small and startup companies that provide jobs and services in CDBG neighborhoods. To date, two of the three remaining units have been contracted for lease. Priority is being given to businesses that may be relocated due to the reconstruction project.
- Rob Lamb explained the Low & Moderate Income Job Creation/Expansion slides including:
 - ⇒ Provides financial assistance for commercial and industrial development in CDBG areas and/or LMI job creation.
 - ⇒ One project has been funded (Elk's Club) in which 30 jobs will be created. 16 of the jobs will be for LMI jobs.
 - ⇒ Vision Financial was approved for assistance from the 2006 CDBG funds. To date, they have created 52 jobs, 26 of which are occupied by LMI City residents and 13 are from CDBG neighborhoods.
 - ⇒ Public Improvement Assistance – one project has been assisted in 2007. Zion Development will be upgrading infrastructure to make the neighborhood more visually attractive.

Question (Pastor Dismuke) – How many jobs is this creating?

Answer (Teresa Cothrine) – Job creation is not necessary to qualify for Public Improvement funds.

- ⇒ Microenterprise Investment Match – provide assistance for very small and startup businesses. The funds budgeted for this program were transferred to assist the 2006 Labor Day Flood victims.
- ⇒ Self-Employment Training Program (SET) – training program operated by Rock Valley College. It was estimated that 50 people would be assisted. The first class assisted 10 LMI persons.

- Rob Lamb explained the Other (Non-Federally Funded) Community Development Activities slides including:
 - ⇒ Renovation of 303 N. Main St.
 - ⇒ Created 7 new Tax Increment Financing Districts
 - ⇒ Marketing the City's development opportunities

Question (E.J. Parham) – What is the timeline for creation of new TIF districts?

Answer (Rob Lamb) – TIF Districts are created according to state law and usually continue for 23 years. He explained what a TIF District is and how it works.

- ⇒ Garrison School TIF Project
- ⇒ New Dollar Store at 3030 11th St.
- ⇒ Storefront Façade work at 211 E. State St. (Chocolat by Daniel)
- ⇒ Creation of River Edge Redevelopment Zone
- ⇒ Thatcher Blake River Walk Project (River Oaks Condominiums)
- ⇒ Industrial growth (Anderson Packaging, UPS and Lowe's Distribution Center) – they have nearly 1100 employees from CDBG neighborhoods and anticipate hiring approximately 190 more over the next three years.

IV. SCHEDULE FOR CONTINUATION OF THE PROCESS

- Dwayne Collins explained the remaining process for the 2008 application.

V. COMMENTS

Question (Rev. Dotson) - What form should be used for suggestions?

Answer (Dwayne Collins/Vicki Manson) – Suggestions may be submitted in any form but it is preferred that suggestions be submitted in writing.

Question (Ron Moore) – Will ideas and suggestions be addressed at the next public hearing?

Answer (Dwayne Collins) – All suggestions and public input must be included in the formal application. It is possible that they will be addressed at a future public hearing. Vicki also stated that the meeting minutes will be available.

Question (Pastor Dismuke) – Are proposals kept on file and kept active or do they need to be re-submitted every year?

Answer (Dwayne Collins) – It is necessary to make sure that the proposal is kept up to date.

Question (Teresa Cothrine) – What is the difference between the Healthy Neighborhoods Program and the Community Assistance Program?

Answer (Dwayne Collins) – The Community Assistance Program provided funding for both public service and public improvement activities and was a yearly application process with a specific application deadline. The Healthy Neighborhoods Program will take applications throughout the year to be processed on a monthly basis. Vicki Manson also stated that the review committee will include the Alderman from the area and an Alderman from outside the area.

Question (Teresa Cothrine) – What is the maximum amount that an organization can receive?

Answer (Dwayne Collins) – There has not been a maximum amount established. The amount received can only be 50% of the total project.

Question (Teresa Cothrine) – What will be done if this program does not get approval from City Council?

Answer (Vicki Manson) – If it does not get approved by City Council it will probably be due to the 2007 flood and those dollars will be used to assist flood victims.

Question (Oliver Emerson) – Will the 2007 Budget be available to show where the flood funding came from?

Answer (Vicki Manson) – Yes, it will be presented at the next Public Hearing or at a special Public Hearing.

Question (Reggie Taylor) – Would you consider expanding an Enterprise Zone, specifically to include the area north of School Street? There is no assistance available for this area since the investor/owner program was taken out. He strongly suggested reinstating this program.

Answer (Vicki Manson) – The area is being considered for potential rehabilitation or demolitions if funding becomes available. Ron Moore stated that normally the City don't expand Enterprise Zones for residential property, just commercial and industrial use.

Question (Ray Cooper) - Is the Community Development Department trying to get businesses on the West Side?

Answer (Rob Lamb) – Yes, we do everything we can but ultimately it is a business decision that is made based on potential profitability. We advertise through ICSC and other sources.

Question (Rev. Dotson) – What dollar amount is the City applying to HUD for? Do suggestions that are submitted get acknowledged?

Answer (Vicki Manson) – Responses are sent when suggestions are received and they become part of the formal application to HUD. We do not apply for a specific dollar amount. We submit the application and then HUD determines what the grant amounts will be based on a formula.

Question (Teresa Cothrine) – Was the SET program reduction due to the elimination of the Microenterprise program and will this be reconsidered in the 2008 budget?

Answer (Jovita Donahue) – There has been a reduction in the number of people signing up for classes and the lack of incentive may have had an impact on that.

Question (Teresa Cothrine) – When we do the 2008 budget are we going to reconsider this or are we going to shift our efforts somewhere else to assist the small businesses in Rockford? Do we know how many loans RLDC has done?

Answer (Rob Lamb) – No, I don't deal with the program so I don't have the number.

Question (Teresa Cothrine) - In the presentation, the amount that was transferred to RLDC is the cash asset amount and the total portfolio is not mentioned. Aren't there some loans that are outstanding and should be part of the presentation?

Answer (Rob Lamb) – Maybe but it wouldn't make a difference in terms of what might be available rather than what has already been loaned.

Question (Bob Campbell) – How many homes can be assisted through the ADDI program?

Answer (Vicki Manson) – Since the assistance amount is 6% of the purchase price it is approximately \$4,000 - \$5,000 per property so it really doesn't assist that many. We also use other HOME funds for down payment assistance to assist more projects.

Question (Beverly Parker) – Is the ADDI program for 1st time homebuyers only?

Answer (Vicki Manson) – ADDI is restricted to 1st time homebuyers but the other HOME funds used for down payment assistance are not.

- Dwayne Collins thanked everyone for coming and the meeting was adjourned.